

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:392

ANSWERED ON:23.08.2005

MODERNISATION OF INDUSTRIES

Shahid Shri Mohammed;Shiwankar Shri Maha Deo Rao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has formulated/proposes to formulate a scheme to modernise industries during the Tenth Plan;
- (b) if so, the details thereof;
- (c) the percentage share of export of manufactured goods in total export made during the last three years;
- (d) the percentage increase in the export of these goods so far in comparison to the last year;
- (e) the countries to which the highest quantity of manufactured goods exported during the above period; and
- (f) the steps taken/proposed to be taken to augment export of manufactured goods through modernisation of industries?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) & (b) : The Government has formulated a Plan scheme entitled 'Technology Upgradation and Modernisation Scheme' during the 10th Five Year Plan. The scheme envisages capital subsidy and interest subsidy to industries for technology upgradation and modernisation. This is to be approved by the Planning Commission.

(c) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (c) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 392 FOR ANSWER ON 23RD AUGUST 2005 REGARDING MODERNISATION OF INDUSTRIES.

(c) & (d) : The Directorate General of Commercial Intelligence & Statistics (DGCI&S) compiles trade data on the basis of Indian Trade Classification (ITC) Harmonised System (HS) Codes for different commodities. There is no separate classification of manufactured goods under this system. However, using data of principal commodities also published by the DGCI&S for broad categories such as Textiles, Gems & Jewellery, Engineering, Chemicals, Leather, etc. but excluding Petroleum Products, the share of manufactured goods in India's exports was more than 70% during the last 3 years. The export of the above mentioned manufactured goods registered a growth of 20% during 2004-05 compared to the previous year. The details may be seen in the statement at Annexure-I.

(e) : The total value of exports to the major countries is given in the statement at Annexure-II. The quantity of manufactured goods exported country-wise is not available.

(f) : It is the endeavour of the Government to augment export of manufactured goods which results in significant positive value addition. The strategies formulated to encourage manufacturing activities include technological and infrastructural upgradation, correction of inverted duty structure and ensuring that domestic industry is not disadvantaged in the Free Trade Agreements/ Regional Trade Agreements. Schemes of the Government such as the Technology Upgradation Fund Scheme (TUFS) for modernisation of the Textile and Jute industries, the Industrial Infrastructure Upgradation Scheme (IIUS), the Integrated Leather Development Scheme (ILDS), etc. are already in operation to further augment export of manufactured goods.

ANNEXURE-I

Statement referred to in reply to parts (c) & (d) of the Lok Sabha Starred Question No.392 for answer on 23rd August 2005 regarding Modernisation of Industries.

Commodity composition of India's exports

(% share in total exports)

2002-03 2003-04 2004-05

1	Primary products	16.6	15.5	15.2
	Agriculture & Allied	12.8	11.8	10.0
	Ores & Minerals excl. coal	3.8	3.7	5.2

2	Manufactured Goods	76.6	76.0	73.6
	Textiles incl.handicrafts & carpets	21.1	19.0	16.3
	Gems & jewellery	17.2	16.6	17.3
	Engineering goods	17.2	19.4	20.7
	Chemical & related prdt	14.2	14.8	16.0
	Leather & manufactures	3.5	3.4	2.9

3	Petroleum, crude & prdts.	4.9	5.6	8.6
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4	Others	1.9	2.9	2.6
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TOTAL EXPORTS	100.0	100.0	100.0
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Source : Economic Survey 2004-2005 & DGCIS, Kolkata.

Note : Some manufacturing activities are also included under primary products and crude and petroleum products. The latter has recorded a high growth in recent years.

Annexure-II

Statement referred to in reply to part (e) of the Lok Sabha Starred Question No.392 for answer on 23rd August, 2005 regarding Modernisation of Industries.

TOP 15 COUNTRIES SORTED BY VALUE OF EXPORTS FOR 2004-05 (in US \$ Million)

S.No.	Country	2002-03	2003-04	2004-05
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1	U S A	10895.76	11490.11	13265.60
2	U ARAB EMTS	3327.48	5125.61	7098.14
3	CHINA P RP	1975.48	2955.10	4586.28
4	SINGAPORE	1421.58	2124.84	3795.51
5	HONG KONG	2613.33	3261.83	3651.33
6	U K	2496.41	3023.27	3544.69
7	GERMANY	2106.68	2544.57	2644.10
8	BELGIUM	1661.84	1805.73	2442.09
9	ITALY	1357.08	1729.41	2160.83
10	JAPAN	1864.03	1709.30	1977.59
11	FRANCE	1074.09	1280.89	1609.11
12	BANGLADESH PR	1176.00	1740.75	1586.18
13	NETHERLANDS	1047.91	1289.12	1518.06
14	SAUDI ARABIA	940.74	1123.31	1369.76
15	SRI LANKA DSR	920.98	1319.20	1353.75

Grand Total	52719.43	63842.97	79247.05
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Source: DGCIS

